



**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the matter of  Application of SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc., d/b/a Southwestern Bell Long Distance, Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region Originating, InterLATA Services in Oklahoma	CC Docket No. 97-121
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**AFFIDAVIT OF KAROL SWEITZER  
ON BEHALF OF SOUTHWESTERN BELL LONG DISTANCE**

STATE OF TEXAS            )  
  ) ss.  
COUNTY OF DALLAS        )

I, Karol Sweitzer, being first duly sworn upon oath, do hereby depose and state as follows:

**AFFIANT'S BACKGROUND AND DUTIES**

1. My name is Karol Sweitzer. I am Vice President-Business Planning and Chief Financial Officer for Southwestern Bell Communications Services, Inc. ("SBLD"), a wholly-owned subsidiary of SBC Communications Inc. ("SBC"). SBLD is the subsidiary through which SBC will provide in-region interLATA services within Oklahoma under the Telecommunications Act of 1996 ("the 1996 Act").<sup>1</sup>
2. I am responsible for regulatory compliance and public policy analysis within SBLD. I am also responsible within SBLD for analyzing long distance entry requirements and

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<sup>1</sup> All References to the Communications Act of 1934, as amended by the Telecommunications Act of 1996, shall be made as "Section \_\_\_\_."

ensuring that SBLD's business operations comply with all applicable statutes, rules, and orders including the FCC's Non-Accounting Safeguards First Report and Order issued in CC Docket No. 96-149 and the Accounting Safeguards Report and Order issued in CC Docket 96-150.<sup>2</sup>

3. This affidavit is in response to comments filed by third-party intervenors in the above-referenced matter. Comments of AT&T, Cox Communications, Inc., Sprint Communications Company L.P., and the Telecommunications Resellers Association suggest that the statements made in my prior affidavit filed in this matter do not demonstrate current compliance or the intent to comply with Section 272. SBLD contests these assertions and this affidavit addresses those third party comments. In specific, SBLD has complied with all rules in effect at all relevant times. Transactions with affiliated BOCs have complied with Part 32 and 64 requirements – requirements which the Commission has found sufficient to “ensure that affiliate transactions are conducted at compensatory prices.”<sup>3</sup> To AT&T's assertion that the Section 272 requirements apply now, I remind the Commission that AT&T's own affidavit refers to Section 272 requirements as applicable only when in-region relief is granted.<sup>4</sup> AT&T's own use of the future tense undercuts the premise of its position. Ultimately, the Commission should find that this and other affidavits filed by SBC subsidiaries sufficiently show that SBLD will comply with Section 272 when it is required to do so. This affidavit sets forth how

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<sup>2</sup> In the Matter of Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order, CC Docket No. 96-149, FCC 96-489 (rel. Dec. 24, 1996) ("Non-Accounting Safeguards First Report and Order"); In the Matter of Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, Report and Order (rel. Dec. 24, 1996) ("Accounting Safeguards Report and Order"). Applicants reserve their rights with regard to the filing of a petition for review to a court of competent jurisdiction.

<sup>3</sup> ¶ 121, Accounting Safeguards Report and Order

<sup>4</sup> See Affidavit of Denise Crombie, at paragraph 6: SBC companies must "... meet their burden of establishing that they will operate in compliance with Section 272 if and when..." authority is granted; at paragraph 7: [quoting Section 271(d)(3)(B)] relief should be granted only if "... the requested authorization will be carried out in accordance with the requirements of Section 272..." (Emphasis added).

SBLD complies and will comply with Section 272 and the FCC's rules promulgated consistent with Section 272, thus providing a basis for the FCC to grant the "requested authorization,"<sup>5</sup> as regards SBLD's relationship with Southwestern Bell Telephone Company ("SWBT"), together with Pacific Bell and Nevada Bell (these three companies may also be referred to as the "SBC BOCs").

4. In my position with SBLD, it is my responsibility to ensure SBLD is in compliance with Section 272 requirements as well as the Non-Accounting Safeguards First Report and Order, the Accounting Safeguards Report and Order and other FCC Orders relevant to the provision of interexchange services. Section 272 (b)(2) states that when SBLD begins to provide interLATA service in region, it "...shall maintain books, records, and accounts in the manner prescribed by the Commission, which shall be separate from the books, records and accounts maintained by the Bell Operating Company of which it is an affiliate." To provide assurance that SBLD will maintain books, records and accounts separate from SWBT in accordance with generally accepted accounting principles ("GAAP") as required in the Accounting Safeguards Report and Order, SBLD's Chart of Accounts, Schedule of Authorizations, Fixed Asset Guidelines and Purchasing Guidelines are shown in Attachments A through D of this affidavit. These documents are subject to change based on SBLD's evolving business requirements. For instance, in October, 1997, SBLD plans to migrate to a new Chart of Accounts so that each SBC subsidiary will report accounts in a consistent manner. This new Chart of Accounts will be in accordance with GAAP, all existing FCC rules and will use the FCC Part 32 numbering system.
5. The current Chart of Accounts shown in Attachment A contains standard accounts necessary to facilitate the analysis and recording of transactions according to GAAP. Standard account groupings for any company's chart of accounts includes: assets,

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<sup>5</sup> Section 271(g)(3).

liabilities, equity, revenue and expense. In addition, this Chart mirrors that used by SBC and is the basis for all SBC transactions reviewed by Ernst & Young LLP, SBC's external auditors. Ernst & Young LLP opines annually that the consolidated financial statements of SBC present fairly, in all material respects, the consolidated financial position of SBC and the consolidated results of its operations and cash flows, in conformity with GAAP.

6. SBLD's Schedule of Authorizations as shown in Attachment B contains controls to ensure all transactions are reviewed by the appropriate level of management. Because SBLD is a "start-up" operation, most of its internal controls are, at this point, management authorizations and are included in this schedule. SBLD has not yet developed an accounting manual setting forth in a consolidated fashion all accounting procedures. Rather, SBLD relies on the technical background of its accounting personnel, as well as the procedures summarized herein, to insure that appropriate accounting is taking place at SBLD. SBLD currently employs five Certified Public Accountants within its Finance organization. In addition, to further insure adherence to SBLD's accounting policies and GAAP, all bill payments to internal and external vendors are reviewed by multiple levels of management employees within SBLD's Finance organization who are trained in recording transactions according to GAAP.
7. Attachment C is a copy of SBLD's Fixed Asset Guidelines. It details the requirements to determine whether a purchase should be capitalized or expensed. This document was distributed to employees who are responsible for procuring or overseeing the procurement of all goods and services. It is also used as the basis for the vendor bill payment review noted in the previous paragraph. The Fixed Asset Guidelines allow for consistent recording of transactions within SBLD.
8. In conjunction with the Fixed Asset Guidelines, SBLD developed Purchasing Guidelines shown in Attachment D. These guidelines assure that the proper levels of management

have reviewed and approved the proposed purchase, aid in ensuring adherence to the Fixed Asset Guidelines, and protect against misappropriation of Company funds.

9. Attachment E defines the procedures SBLD employees must follow when an affiliate provides procurement services to SBLD. Those additional procedures ensure that SBLD has control over its purchasing processes and is able to conduct all transactions with SBC BOCs consistent with Section 272(b)(5).
10. Section 272 (b)(5) states that when SBLD provides interLATA service as contemplated under Section 271 and 272, it "...shall conduct all transactions with the Bell operating company of which it is an affiliate on an arm's length basis with any such transactions reduced to writing and available for public inspection." SBLD has taken all appropriate steps to be in compliance with this requirement when it begins to provide interLATA service in Oklahoma. As stated in Kathleen Larkin's accompanying affidavit, SWBT's centralized affiliate oversight group currently insures that all SBLD-SWBT transactions comply with existing state and federal affiliate transaction requirements.
11. SBLD has a similar centralized affiliate oversight point of contract in its Finance organization. All SBLD proposed transactions with SWBT are reviewed by the SBLD affiliate oversight contact to ensure business with SWBT is conducted on an arm's length basis, that an agreement is in place to document and control the exchange, that billing from SWBT is received and processed in a timely manner, and that it is accurate. Copies of all *current* agreements between SWBT and SBLD are attached to Kathleen Larkin's accompanying affidavit. These agreements provide descriptions, terms and conditions of all services provided by SWBT to SBLD. At this point in time, SBLD provides no services to the SBC BOCs, and SBLD receives no services from Pacific Bell or Nevada Bell.
12. In addition to having the transactions available at the appropriate SBC BOC's principle place of business, the Accounting Safeguards Report and Order requires that when SBLD provides interLATA service in region, it will "provide a detailed written description of

the asset or service transferred [from or to the BOC] and the terms and conditions of the transaction on the Internet within 10 days of the transaction through the company's home page."<sup>6</sup> SBLD plans to have such existing affiliate transactions posted on the Internet upon commencement of its provision of interLATA telecommunications services in region. As an example of how this might be done, Pacific Bell and Nevada Bell currently have summaries of affiliate transactions with Pacific Bell Communications ("PB Comm") appearing on Pacific Telesis Group's home page at [www.pactel.com](http://www.pactel.com). PB Comm is the entity that was established by Pacific Telesis Group in anticipation of providing interLATA service in California and Nevada. Descriptions, terms and conditions of affiliate services provided by Pacific Bell and Nevada Bell to PB Comm can be found by selecting the about us link on the Pacific Telesis home page. Then, the user selects the public policy issues link which has a link to the Pacific Bell Services to Pacific Bell Communications page. A copy of each page in the path previously described is included in Attachment F. SBLD will have a similar page at SBC's Internet site, [www.sbc.com](http://www.sbc.com), with similar methods for navigating to the Section 272-relevant information. Anyone will be able to select the News Center link from SBC's home page which has a Public Policy Issues section that will have a selection entitled Services Provided by Southwestern Bell Telephone to Southwestern Bell Long Distance. A copy of each page in the SBC Internet path is provided in Attachment G.

13. Once it begins to provide interLATA in Oklahoma, SBLD will post transactions to SBC's Internet site within 10 days of each new transaction with an SBC BOC. Descriptions, terms and conditions for any service provided would remain on the Internet site until that service is no longer provided by the SBC BOC to SBLD. Asset transfers will remain on the Internet for six months from the date they are posted. SBLD will review the Internet site on a monthly basis, comparing actual contracts established with SWBT to those listed

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<sup>6</sup> Paragraph 122 of the Accounting Safeguards Report and Order.

on the Internet site for completeness and accuracy. Any asset transfers listed on the Internet will also be reconciled to those recorded on SBLD's books on a monthly basis.

14. A list of services that SBLD *expects* to receive from SWBT, Nevada Bell and Pacific Bell once in-region relief is received as well as any affiliate transactions between SBLD and the SBC BOCs is attached, also in sufficient detail such that a third party could reasonably understand the transaction. (See Attachment H.)
15. Prior to the provision of in-region interLATA service, SBLD will train its employees on the specific Section 272 requirements that apply to SBLD. Employees have already been advised not to receive any goods, services, facilities, or information from SWBT, Nevada Bell or Pacific Bell without first going through SWBT's centralized affiliate transaction group (see Attachment I). This centralized group within SWBT communicates with employees of Nevada Bell and Pacific Bell whenever SBLD expects to enter into any transaction with Nevada Bell or Pacific Bell. Pacific Bell and Nevada Bell employees then insure compliance with Section 272 and FCC rules.
16. Currently, SBLD employees are obligated to abide by the SBC Compliance Program known as "Ethics in the Workplace." This year, the program included training on an interactive, computer-based program which requires the employee to respond to case studies which highlight SBC policies. Among those policies is abiding by all legal and regulatory requirements associated with the provision of telecommunications services.
17. In addition, each year each employee must review and agree to abide by the SBC Code of Business Conduct as a condition of the employee's employment. (See Attachment J.) The SBC Code of Business Conduct requires employees to abide by regulations and laws related to the provision of communications services as well as the privacy of customer information. Employees must sign a form setting forth their agreement to abide by the SBC Code of Business Conduct each year. (See Attachment K.)
18. It is planned that shortly after in-region relief is granted to SBLD, all SBLD employees will receive a formal training program that will advise them of all relevant legal and

regulatory requirements, including, but not limited to requirements based on Sections 201, 202, 222, 271, 272, as well as state requirements. SBLD employees will be required to sign documents annually reflecting their understanding and agreement to abide by such training, using forms similar to the SBC Code of Business form referenced above.

19. The combination of specific training received by SBLD employees, SBC's Ethics in the Workplace and Code of Business Conduct programs insures that employees are properly advised and instructed to abide by the requirements embodied within Sections 271 and 272.
20. To clarify two points raised by Sprint in its Comments, at page 34, SBLD will not market or sell telephone exchange services of the SBC BOCs unless those same telephone exchange services can be sold by other entities under the same terms and conditions. Also, no person serving as an SBLD employee, officer or director will simultaneously hold a position as either an employee, officer or director of an SBC BOC.

CONCLUSION OF TESTIMONY

The foregoing Affidavit is true and correct to the best of my knowledge, information, and belief.

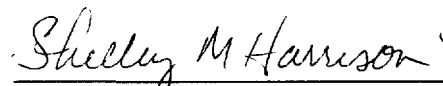
This concludes my Affidavit.

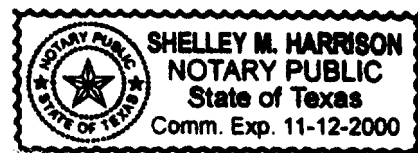


KAROL SWEITZER  
VICE PRESIDENT-BUSINESS PLANNING AND CHIEF FINANCIAL OFFICER  
SOUTHWESTERN BELL COMMUNICATIONS SERVICES, INC.

STATE OF TEXAS            )  
  ) ss.  
COUNTY OF DALLAS        )

Subscribed and sworn before me, the undersigned authority, on this 22nd day of  
May 1997.

  
NOTARY PUBLIC



SWEITZER

**ATTACHMENT A**

**Southwestern Bell Long Distance  
Chart of Accounts**

<b>1XXX</b>	<b>ASSETS</b>	
10-14XX	<b>CURRENT ASSETS</b>	
100X	<b>Cash</b>	
1001	Cash	
001	Petty Cash	
002	Cash - China	
003	Cash - Pounds	
004	Cash - Belgium	
005	Cash - TCUK	
102X	<b>Short-term Investments</b>	
1021	Short-term Investments	
001	Premium/Discount on ST Investments	
002	Purchased Interest	
003	Boatmens Trust	
004	Other	
1022	Marketable Securities	
1023	Valuation Allowance	
11XX	<b>Receivables</b>	
1101	Customers - A/R	
010	A/R Retail	
020	A/R Retail Direct Bill	
100	A/R Reseller	
800	A/R Other	
810	A/R Unapplied	
900	A/R Clearing	
901	A/R - ZPDI Clearing	
990	A/R B & C Rejects	
1110	A/R - Partnerships	
xxx	Subsidiary Specific	
1120	Intercompany Advances	
010	SBC Parent	
020	SBC MSI	
030	SWBT	
040	SBMS	
050	SBC International	
060	Yellow Pages	
070	Telecom	
080	Messaging Services	
090	Video Services	
100	Communications Services	
110	Media Ventures	
120	Asset Management	
130	Capital Corporation	
140	Technology Resources, Inc.	
150	Gateway Rivers Insurance	
160	SBC Enterprises	
170	Associated Directory Services	
180	Southwestern Bell Printing	
190	SBC Center for Learning	
200	Southwestern Bell Communications, Inc.	
210	Southwestern Bell Internet Services, Inc.	
220	SBC Services, Inc.	
1121	Intercompany Accounts Receivable	

# Southwestern Bell Long Distance Chart of Accounts

020	SBC-MSI
030	SWBT
031	A/R Sale to SWBT
040	SBMS
050	SBC International
060	Yellow Pages
070	Telecom
080	Messaging Services
090	Video Services
100	Communications Services
110	Media Ventures
120	Asset Management
130	Capital Corporation
140	Technology Resources, Inc.
150	Gateway Rivers Insurance
160	SBC Enterprises
170	Associated Directory Services
180	Southwestern Bell Printing
190	SBC Center for Learning
200	Southwestern Bell Communications, Inc.
210	Southwestern Bell Internet Services, Inc.
220	SBC Services, Inc.
250	Southwestern Bell Advanced Services, Inc.
1122	Intercompany Notes Receivable
020	SBC-MSI
030	SWBT
040	SBMS
050	SBC International
060	Yellow Pages
070	Telecom
080	Messaging Services
090	Video Services
100	Communications Services
110	Media Ventures
120	Asset Management
130	Capital Corporation
140	Technology Resources, Inc.
150	Gateway Rivers Insurance
160	SBC Enterprises
170	Associated Directory Services
180	Southwestern Bell Printing
190	SBC Center for Learning
200	Southwestern Bell Communications, Inc.
210	Southwestern Bell Internet Services, Inc.
220	SBC Services, Inc.
1130	Intracompany Accounts Receivable
010	SBCI HEADQUARTERS
020	TELMEX CC
030	TELMEX PE
040	TELNICX
050	CHILE CC
060	CHILE PE
070	FRANCE
080	KOREA
090	S AFRICA CC

# Southwestern Bell Long Distance Chart of Accounts

100	S AFRICA PE
110	SAUDI ARABIA CC
120	SAUDI ARABIA PE
130	ISRAEL
140	AUSTRALIA
150	UK1/UK2
160	SBIP
170	SBIHBV
180	HISTORY
501	AMI from GCOK
1150	S/T Notes Receivable
099	Loss Reserves
1160	Intracompany Notes Receivable
501	To AMI from GCOK
1170	Interest & Dividends Receivable
001	Short Term Investments
002	Dividends
003	Long Term Investments
1171	Intercompany Interest Receivable
020	SBC-MSI
030	SWBT
040	SBMS
050	SBC International
060	Yellow Pages
070	Telecom
080	Messaging Services
090	Video Services
100	Communications Services
110	Media Ventures
120	Asset Management
130	Capital Corporation
140	Technology Resources, Inc.
150	Gateway Rivers Insurance
160	SBC Enterprises
170	Associated Directory Services
180	Southwestern Bell Printing
190	SBC Center for Learning
200	Southwestern Bell Communications, Inc.
210	Southwestern Bell Internet Services, Inc.
220	SBC Services, Inc.
xxx	Other
1172	Intracompany Interest Receivable
501	AMI from GCOK
1180	Other Receivables
001	Employee Receivables - Wage Advances
002	Employee Receivables - Tuition Loans
003	Employee Receivables - Emer. Disaster Loans
004	Employee Receivables - Travel Advances
005	Employee Receivables
006	LESOP Trust
007	Lease Receivables
008	Federal Income Tax Receivables
009	State & Local Tax Receivables
010	Expat Fed Tax Advance
011	Expat FICA Tax Advance

**Southwestern Bell Long Distance  
Chart of Accounts**

1190	Assets - Unbilled Accounts Receivable
060	Yellow Pages
900	I/C Management Fes-Unbilled
910	I/C Relocation-Unbilled
1199	Allowance for Doubtful Accounts
xxx	SBMS Specific (Accounts 1171-1179)
xxx	YP Specific (40 Accounts)
12XX	<b>Inventory</b>
1210	Materials & Supplies
1220	Inventory
001	Regular Homes
002	Amended Value Homes
xxx	New
xxx	Piece Parts
xxx	Pagers
xxx	Landline
xxx	Plug-Ins
xxx	Clearing
1290	Estimated Inventory Allowance
13XX	<b>Prepaids</b>
1310	Prepaid Expenses
001	Prepaid Rents
002	Prepaid Insurance
003	Prepaid Interest
004	Prepaid Taxes
005	Prepaid Maintenance Contracts
006	Prepaid Advertising
007	Prepaid Security Deposits
008	Prepaid Postage
009	Prepaid Compensation
010	Prepaid VEBA - Actives
011	Prepaid VEBA - Inactives
012	Prepaid LESOP
013	Prepaid - Other
110	Prepaid COLI Premiums - Leveraged
112	Prepaid COLI Premiums - Small Leveraged
120	Prepaid COLI Interest - Leveraged
122	Prepaid COLI Interest - Small Leveraged
14XX	<b>Other Current Assets</b>
1410	Current Deferred Tax Asset - Federal
1411	Current Deferred Tax Valuation Allowance - Federal
1412	Current Deferred Tax Asset - State
1413	Current Deferred Tax Valuation Allowance - State
1420	Deferred Charges
001	Intercompany Balancing
xxx	SBMS Specific (Accounts 1801-1811)
xxx	YP Specific (15 Accounts)
1425	Deferred Regulatory Asset - SFAS 109
1490	Other Current Assets
xxx	Make Goods
15-19XX	<b>NONCURRENT ASSETS</b>
150X	<b>Construction in Progress (CIP)</b>
1501	Land - CIP
001	Land - Cost
002	Land - Improvements

**Southwestern Bell Long Distance  
Chart of Accounts**

	003	Land - Capital Engineering & Operations
	004	Land - Other
	005	Easements
1502		<b>Building - CIP</b>
	001	Building - Cost
	002	Building - Leasehold Improvements
	003	Building - Capital Engineering & Operations
	004	Building - Capitalized Interest
	005	Building - Professional Fees
	006	Building - Towers
	007	Building - Other
1503		<b>Equipment - CIP</b>
	xxx	Equipment-MTSO
	xxx	Equipment-MTSO-Plug In
	xxx	Equipment-Cell
	xxx	Equipment-Cell-Voice Channel Packs
	xxx	Equipment-CTAC
	xxx	Equipment-CTAC-Plug In
	xxx	Equipment-Facilities & Electric
	xxx	Equipment-Microwave
	xxx	Equipment-Test Equipment
	xxx	Equipment-Capitalized Interest
	xxx	Equipment-Capitalized E&O
	xxx	Equipment-Professional Fees-Microwave
	xxx	Engineering/Freight/Installation/Tax
	xxx	Equipment Piece Parts-CIP
	xxx	Professional Fees-Cell Equipment
	xxx	Cell Antennas
	xxx	Professional Fees-Antennas
	xxx	Cell & Switch-Software
	xxx	Equipment-Other
	xxx	Main Systems Software
	xxx	Warehouse Equipment
	1508	<b>Other CIP</b>
	1509	<b>CIP Clearing</b>
151X-9X		<b>Property, Plant &amp; Equipment</b>
	1511	<b>Land &amp; Land Improvements</b>
	001	Cost
	002	Improvements
	1512	<b>Buildings</b>
	001	Cost
	002	Tenant Improvements
	003	Vault
	004	Leased
	1513	<b>Leasehold Improvements</b>
	001	Buildings
	002	Other
	1520	<b>Analog Electronic Switching</b>
	1521	<b>Analog Electronic Switching-Plug Ins</b>
	1522	<b>Digital Electronic Switching</b>
	1523	<b>Digital Electronic Switching-Plug Ins</b>
	1524	<b>Electromechanical Switching</b>
	1525	<b>Microwave &amp; Radio Systems</b>
	1526	<b>Poles</b>
	001	Regular

**Southwestern Bell Long Distance  
Chart of Accounts**

1527	<b>Aerial Cable</b>
001	METEX - Bldg Reg
002	Interoffice Trunk - Coaxial
003	Interoffice Trunk - Fiber
004	Distribution Plant - Coaxial
1528	<b>Aerial Wire</b>
1529	<b>Underground Cable</b>
001	Interoffice Trunk - Coaxial
002	Interoffice Trunk - Fiber
003	Distribution Plant - Coaxial
004	Distribution Plant - Fiber
1530	<b>Buried Cable</b>
001	Interoffice Trunk - Coaxial
002	Interoffice Trunk - Fiber
003	Distribution Plant - Coaxial
004	Distribution Plant - Fiber
1531	<b>Submarine Cable</b>
001	Interoffice Trunk - Coaxial
002	Interoffice Trunk - Fiber
003	Distribution Plant - Coaxial
004	Distribution Plant - Fiber
1532	<b>Intrabuilding Network Cable</b>
1533	<b>Conduit Systems</b>
001	Interoffice
002	Distribution Plant
1534	<b>Operator Systems</b>
001	Operator Systems
1540	<b>Cell Equipment</b>
1541	<b>Radio Channels</b>
1542	<b>CTAC</b>
1543	<b>CTAC-Plug Ins</b>
1544	<b>Facilities &amp; Electrical</b>
1545	<b>Test Equipment</b>
1546	<b>Capitalized Interest</b>
1547	<b>Capitalized E &amp; O</b>
1548	<b>Professional Fees</b>
1549	<b>Antennas</b>
1560	<b>Headend Equipment</b>
001	Satellite & Earth Station Facilities-Towers
002	Satellite & Earth Station Facilities-Antenna
003	Satellite & Earth Station Facilities-Electronics
004	Satellite & Earth Station Facilities-Cable
010	Trunk Termination Equipment
020	Electronics-Analog
021	Electronics-Broadcast Digital
022	Electronics-Switched Digital
023	Electronics-Common
030	Minicomputer/Microcomputer
040	Microcomputers-Media Servers
050	Billing System
1561	<b>Customer Premises Equipment &amp; Labor</b>
001	Drops-Analog
002	Drops-Broadcast Digital
003	Drops-Switched Digital
010	Settops-Analog

**Southwestern Bell Long Distance  
Chart of Accounts**

	011	Settops-Broadcast Digital
	012	Settops-Switched Digital
	013	Settops-Common
	020	Inside Wire-Analog
	021	Inside Wire-Broadcast Digital
	022	Inside Wire-Switched Digital
1570		Circuit Equipment
1571		Station Apparatus
1572		Large Private Branch Exchange
1573		Public Telephone Terminal Equipment
1574		Other Terminal Equipment
1577		Systems Software
	001	Systems Software
1580		Motor Vehicles
	001	Cars/Trucks
	002	Large Trucks
1581		Aircraft
1582		Furniture & Office Fixtures
	001	Office/Strm
	002	Art
1583		Office Equipment
	001	Telephone Equipment
1584		Computers
	001	PCs
	002	Other PC/LAN
	003	Data Processing Equipment
1585		Garage Work Equipment
1586		Other Work Equipment
	001	Machinery & Equipment
	002	Tools - Shops
	003	Tools - LVH
1588		Capital Leases
1589		Held for Future Use
	001	Held for Future Use
1590		Other PP&E
	001	Other
1599		PP&E Clearing
16XX		<b>Accumulated Depreciation</b>
1611		Land and Land Improvements
	002	Improvements
1612		Buildings
	001	Cost
	002	Tenant Improvements
	003	Vault
	004	Leased
1613		Leasehold Improvements
	001	Buildings
	002	Other
1620		Analog Electronic Switching
1621		Analog Electronic Switching-Plug Ins
1622		Digital Electronic Switching
1623		Digital Electronic Switching-Plug Ins
1624		Electromechanical Switching
1625		Microwave & Radio Systems
1626		Poles

**Southwestern Bell Long Distance  
Chart of Accounts**

001	Regular
1627	Aerial Cable
001	METEX - Bldg Reg
002	Interoffice Trunk - Coaxial
003	Interoffice Trunk - Fiber
004	Distribution Plant - Coaxial
1628	Aerial Wire
1629	Underground Cable
001	Interoffice Trunk - Coaxial
002	Interoffice Trunk - Fiber
003	Distribution Plant - Coaxial
004	Distribution Plant - Fiber
1630	Buried Cable
001	Interoffice Trunk - Coaxial
002	Interoffice Trunk - Fiber
003	Distribution Plant - Coaxial
004	Distribution Plant - Fiber
1631	Submarine Cable
001	Interoffice Trunk - Coaxial
002	Interoffice Trunk - Fiber
003	Distribution Plant - Coaxial
004	Distribution Plant - Fiber
1632	Intrabuilding Network Cable
1633	Conduit Systems
001	Interoffice
002	Distribution Plant
1634	Operator Systems
001	Operator Systems
1640	Cell Equipment
1641	Radio Channels
1642	CTAC
1643	CTAC-Plug Ins
1644	Facilities & Electrical
1645	Test Equipment
1646	Capitalized Interest
1647	Capitalized E & O
1648	Professional Fees
1649	Antennas
1660	Headend Equipment
001	Satellite & Earth Station Facilities-Towers
002	Satellite & Earth Station Facilities-Antenna
003	Satellite & Earth Station Facilities-Electronics
004	Satellite & Earth Station Facilities-Cable
010	Trunk Termination Equipment
020	Electronics-Analog
021	Electronics-Broadcast Digital
022	Electronics-Switched Digital
023	Electronics-Common
030	Minicomputer/Microcomputer
040	Microcomputers-Media Servers
050	Billing System
1661	Customer Premises Equipment & Labor
001	Drops-Analog
002	Drops-Broadcast Digital
003	Drops-Switched Digital

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010	Settops-Analog
011	Settops-Broadcast Digital
012	Settops-Switched Digital
013	Settops-Common
020	Inside Wire-Analog
021	Inside Wire-Broadcast Digital
022	Inside Wire-Switched Digital
1670	Circuit Equipment
1671	Station Apparatus
1672	Large Private Branch Exchange
1673	Public Telephone Terminal Equipment
1674	Other Terminal Equipment
1677	Systems Software
001	Systems Software
1680	Motor Vehicles
001	Cars/Trucks
002	Large Trucks
1681	Aircraft
1682	Furniture & Office Fixtures
001	Office/Strm
002	Art
1683	Office Equipment
001	Telephone Equipment
1684	Computers
001	PCs
002	Other PC/LAN
003	Data Processing Equipment
1685	Garage Work Equipment
1686	Other Work Equipment
001	Machinery & Equipment
002	Tools - Shops
003	Tools - LVH
1688	Capital Leases
1689	Held for Future Use
001	Held for Future Use
1690	Other PP&E
001	Other
17XX	<b>Investments in Subsidiaries</b>
1701	<b>Investments in Consolidated Domestic Subs</b>
021	Common Stock-SBC MSI
022	Paid-in-Capital-SBC MSI
023	Income/Loss-SBC MSI
024	Dividends-SBC MSI
031	Common Stock-SWBT
032	Paid-in-Capital-SWBT
033	Income/Loss-SWBT
034	Dividends-SWBT
041	Common Stock-SBMS
042	Paid-in-Capital-SBMS
043	Income/Loss-SBMS
044	Dividends-SBMS
051	Common Stock-SBCI
052	Paid-in-Capital-SBCI
053	Income/Loss-SBCI
054	Dividends-SBCI

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055	Currency Translation Adjustment-SBCI
061	Common Stock-SBYP
062	Paid-in-Capital-SBYP
063	Income/Loss-SBYP
064	Dividends-SBYP
071	Common Stock-Telecom
072	Paid-in-Capital-Telecom
073	Income/Loss-Telecom
074	Dividends-Telecom
081	Common Stock-SMSI
082	Paid-in-Capital-SMSI
083	Income/Loss-SMSI
084	Dividends-SMSI
091	Common Stock-VDS
092	Paid-in-Capital-VDS
093	Income/Loss-VDS
094	Dividends-VDS
101	Common Stock-SBCS
102	Paid-in-Capital-SBCS
103	Income/Loss-SBCS
104	Dividends-SBCS
111	Common Stock-MV
112	Paid-in-Capital-MV
113	Income/Loss-MV
114	Dividends-MV
121	Common Stock-AMI
122	Paid-in-Capital-AMI
123	Income/Loss-AMI
124	Dividends-AMI
131	Common Stock-Capital Corporation
132	Paid-in-Capital-Capital Corporation
133	Income/Loss-Capital Corporation
134	Dividends-Capital Corporation
141	Common Stock-TRI
142	Paid-in-Capital-TRI
143	Income/Loss-TRI
144	Dividends-TRI
151	Common Stock-GRI
152	Paid-in-Capital-GRI
153	Income/Loss-GRI
154	Dividends-GRI
161	Common Stock-Enterprises
162	Paid-in-Capital-Enterprises
163	Income/Loss-Enterprises
164	Dividends-Enterpeises
171	Common Stock-ADS
172	Paid-in-Capital-ADS
173	Income/Loss-ADS
174	Dividends-ADS
181	Common Stock-Printing
182	Paid-in-Capital-Printing
183	Income/Loss-Printing
184	Dividends-Printing
191	Common Stock-CFL
192	Paid-in-Capital-CFL

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193	Income/Loss-CFL
194	Dividends-CFL
201	Common Stock-Communications, Inc.
202	Paid-in-Capital-Communications, Inc.
203	Income/Loss-Communications, Inc.
204	Dividends-Communications, Inc.
211	Common Stock-Internet Services, Inc.
212	Paid-in-Capital-Internet Services, Inc.
213	Income/Loss-Internet Services, Inc.
214	Dividends-Internet Services, Inc.
1710	Investments in Consolidated International Subs
022	Paid-in-Capital-Telmex CC
023	Income/Loss-Telmex CC
025	Currency Translation Adjustment-Telmex CC
032	Paid-in-Capital-Telmex PE
033	Income/Loss-Telmex PE
035	Currency Translation Adjustment-Telmex PE
042	Paid-in-Capital-Telnix
043	Income/Loss-Telnix
045	Currency Translation Adjustment-Telnix
052	Paid-in-Capital-Chile CC
053	Income/Loss-Chile CC
055	Currency Translation Adjustment-Chile CC
062	Paid-in-Capital-Chile PE
063	Income/Loss-Chile PE
065	Currency Translation Adjustment-Chile PE
072	Paid-in-Capital-France
073	Income/Loss-France
075	Currency Translation Adjustment-France
082	Paid-in-Capital-Korea
083	Income/Loss-Korea
085	Currency Translation Adjustment-Korea
092	Paid-in-Capital-S Africa CC
093	Income/Loss-S Africa CC
095	Currency Translation Adjustment-S Africa CC
102	Paid-in-Capital-S Africa PE
103	Income/Loss-S Africa PE
105	Currency Translation Adjustment-S Africa PE
112	Paid-in-Capital-Saudi Arabia CC
113	Income/Loss-Saudi Arabia CC
115	Currency Translation Adjustment-Saudi Arabia CC
122	Paid-in-Capital-Saudi Arabia PE
123	Income/Loss-Saudi Arabia PE
125	Currency Translation Adjustment-Saudi Arabia PE
132	Paid-in-Capital-Israel
133	Income/Loss-Israel
135	Currency Translation Adjustment-Israel
142	Paid-in-Capital-Australia
143	Income/Loss-Australia
145	Currency Translation Adjustment-Australia
152	Paid-in-Capital-UK1/UK2
153	Income/Loss-UK1/UK2
155	Currency Translation Adjustment-UK1/UK2
162	Paid-in-Capital-SBIP
163	Income/Loss-SBIP

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165	Currency Translation Adjustment-SBIP
172	Paid-in-Capital-SBIHBV
173	Income/Loss-SBIHBV
175	Currency Translation Adjustment-SBIHBV
182	Paid-in-Capital-History
183	Income/Loss-History
185	Currency Translation Adjustment-History
1720	Investments in Unconsolidated Subs - Equity
011	Investment-Telmex AA
012	Amortization-Telmex AA
013	Income/Loss-Telmex AA
014	Dividends-Telmex AA
015	Currency Translation Adjustment-Telmex AA
021	Investment-Telmex L
022	Amortization-Telmex L
023	Income/Loss-Telmex L
024	Dividends-Telmex L
025	Currency Translation Adjustment-Telmex L
031	Investment-Telnix
033	Income/Loss-Telnix
035	Currency Translation Adjustment-Telnix
041	Investment-Chile VTR
042	Amortization-Chile VTR
043	Income/Loss-Chile VTR
044	Dividends-Chile VTR
045	Currency Translation Adjustment-Chile VTR
051	Investment-France Transcell
052	Amortization-France Transcell
053	Income/Loss-France Transcell
054	Dividends-France Transcell
055	Currency Translation Adjustment-France Transcell
061	Investment-S Africa MTN
062	Amortization-S Africa MTN
063	Income/Loss-S Africa MTN
064	Dividends-S Africa MTN
065	Currency Translation Adjustment-S Africa MTN
071	Investment-Saudi Arabia Gulf Horizon
072	Amortization-Saudi Arabia Gulf Horizon
073	Income/Loss-Saudi Arabia Gulf Horizon
074	Dividends-Saudi Arabia Gulf Horizon
075	Currency Translation Adjustment-Saudi Arabia Gulf Horizon
081	Investment-CableComms
082	Amortization-CableComms
083	Income/Loss-CableComms
085	Currency Translation Adjustment-CableComms
091	Investment-CPP1
093	Income/Loss-CPP1
201	Investment-Aurec HQ
202	Amortization-Aurec HQ
203	Income/Loss-Aurec HQ
204	Dividends-Aurec HQ
211	Investment-Golden Pages
212	Amortization-Golden Pages
213	Income/Loss-Golden Pages
214	Dividends-Golden Pages

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221	Investment-Automation
222	Amortization-Automation
223	Income/Loss-Automation
224	Dividends-Automation
231	Investment-Golden Channels
233	Income/Loss-Golden Channels
241	Investment-STLM
243	Income/Loss-STLM
251	Investment-Pineapple
253	Income/Loss-Pineapple
261	Investment-Aurec Info
262	Amortization-Aurec Info
263	Income/Loss-Aurec Info
264	Dividends-Aurec Info
271	Investment-PS Publishing
273	Income/Loss-PS Publishing
274	Dividends-PS Publishing
281	Investment-Amdocs
282	Amortization-Amdocs
283	Income/Loss-Amdocs
284	Dividends-Amdocs
291	Investment-Golden Wheels
293	Income/Loss-Golden Wheels
301	Investment-Sypress
303	Income/Loss-Sypress
304	Dividends-Sypress
311	Investment-WW Publishing
313	Income/Loss-WW Publishing
314	Dividends-WW Publishing
321	Investment-YAARON
334	Dividends-AMDOCS (UK) Ltd.
344	Dividends-Aurec Local Info. Services
401	Investment-Pacific Access
403	Income/Loss-Pacific Access
404	Dividends-Pacific Access
405	Currency Translation Adjustment-Pacific Access
411	Investment-ADS
413	Income/Loss-ADS
414	Dividends-ADS
415	Currency Translation Adjustment-ADS
421	Investment-Courtney's
423	Income/Loss-Courtney's
424	Dividends-Courtney's
425	Currency Translation Adjustment-Courtney's
431	Investment-VNM
433	Income/Loss-VNM
434	Dividends-VNM
901	Investment-Corporate Media Partners
903	Income/Loss-Corporate Media Partners
1730	Investments in Unconsolidated Subs - Cost
071	Investment-France Cable
081	Investment-Korea Cellular
151	Investment-TeleWest
152	Discount on Investment-TeleWest
153	Unrealized Gain/Loss-TeleWest

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1750	<i>Investments in Subs - Other</i>
091	<i>Common Stock-SBC Interactive, Inc.</i>
092	<i>Paid-in-Capital-SBC Interactive, Inc.</i>
093	<i>Income/Loss-SBC Interactive, Inc.</i>
094	<i>Dividends-SBC Interactive, Inc.</i>
18XX	<b>Other Investments</b>
1810	<i>Marketable Securities</i>
001	<i>Vail Trust Stock</i>
002	<i>Boatmens Trust</i>
003	<i>Telmex</i>
004	<i>Other</i>
1820	<i>Venture Capital</i>
001	<i>Battery Ventures I</i>
002	<i>Battery Ventures II</i>
003	<i>Hambrecht &amp; Quist</i>
1830	<i>Investment in Partnerships</i>
101	<i>Investment in Majestic-Ltd Partners</i>
xxx	<i>General Partnerships</i>
xxx	<i>Limited Partnerships</i>
xxx	<i>Partnership Eliminations</i>
1840	<i>Corporate-Owned Life Insurance</i>
010	<i>Cash Surrender Value - Leveraged COLI</i>
012	<i>Cash Surrender Value - Small Leveraged COLI</i>
016	<i>Cash Surrender Value - Non-Leveraged COLI</i>
020	<i>COLI Loans - Leveraged COLI</i>
022	<i>COLI Loans - Small Leveraged COLI</i>
1850	<i>Other Investments</i>
001	<i>Corporate Art Collection</i>
002	<i>Nondepreciable Furniture &amp; Fixtures</i>
005	<i>Kiel Center Partners</i>
006	<i>Market Street LP</i>
007	<i>San Antonio Spurs LP</i>
1890	<i>Other Investments Valuation Allowance</i>
19XX	<b>Other Assets</b>
1910	<i>Intangible Assets</i>
001	<i>Goodwill</i>
010	<i>SFAS 87 Intangible Asset - DC Plans</i>
011	<i>SFAS 87 Intangible Asset - SRIP</i>
1920	<i>Amortization of Intangible Assets</i>
1930	<i>L/T Notes Receivable</i>
099	<i>Loss Reserves</i>
1940	<i>Intercompany L/T Notes Receivable</i>
020	<i>SBC-MSI</i>
030	<i>SWBT</i>
040	<i>SBMS</i>
050	<i>SBC International</i>
060	<i>Yellow Pages</i>
070	<i>Telecom</i>
080	<i>Messaging Services</i>
090	<i>Video Services</i>
100	<i>Communications Services</i>
110	<i>Media Ventures</i>
120	<i>Asset Management</i>
130	<i>Capital Corporation</i>
140	<i>Technology Resources, Inc.</i>